

**FIRST ENGROSSMENT
with Senate Amendments**

Fifty-ninth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1015

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions
2 under the supervision of the director of the office of management and budget; to provide for
3 various transfers and financial transactions; to provide an exemption from the provisions of
4 section 54-44.1-11 of the North Dakota Century Code; to amend and reenact subsection 6 of
5 section 37-17.1-06 and sections 54-03-20 as amended by Senate Bill No. 2059 as approved by
6 the fifty-ninth legislative assembly, 54-23.2-01, 54-44.1-06, 54-44.1-06.1, and 57-40.6-12 of the
7 North Dakota Century Code, relating to the division of emergency management, state radio,
8 lodging reimbursement for members of the legislative assembly, and preparation of the budget
9 data; to repeal sections 9 and 12 of Senate Bill No. 2015, as approved by the fifty-ninth
10 legislative assembly, relating to composite schedules for teacher salaries and a legislative
11 council study of the department of corrections and rehabilitation; to provide for a legislative
12 council study; to provide legislative intent; and to provide an appropriation to the legislative
13 assembly.

14 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

15 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this
16 section represent the base level funding component appropriated to the office of management
17 and budget in section 3 of this Act as follows:

18	Salaries and wages	\$15,388,231
19	Operating expenses	11,328,756
20	Capital assets	733,000
21	Grants	<u>179,000</u>
22	Total all funds - Base level	\$27,628,987
23	Less estimated income - Base level	<u>7,888,476</u>
24	Total general fund - Base level	\$19,740,511

1 **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The
2 amounts identified in this section represent the funding adjustments or enhancements to the
3 base funding level for the office of management and budget which are included in the
4 appropriation in section 3 of this Act as follows:

5	Salaries and wages	(\$1,892,438)
6	Operating expenses	12,350
7	Capital assets	111,000
8	Grants	210,000
9	Prairie public broadcasting	<u>1,337,138</u>
10	Total all funds - Adjustments/enhancements	(\$221,950)
11	Less estimated income - Adjustments/enhancements	<u>(410,608)</u>
12	Total general fund - Adjustments/enhancements	\$188,658

13 **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the
14 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
15 treasury, not otherwise appropriated, and from special funds derived from federal funds and
16 other income, to the office of management and budget for the purpose of defraying the
17 expenses of that agency, for the biennium beginning July 1, 2005, and ending June 30, 2007,
18 as follows:

19	Salaries and wages	\$13,495,793
20	Operating expenses	11,341,106
21	Capital assets	844,000
22	Grants	389,000
23	Prairie public broadcasting	<u>1,337,138</u>
24	Total all funds	\$27,407,037
25	Less estimated income	<u>7,477,868</u>
26	Total general fund appropriation	\$19,929,169

27 **SECTION 4. CAPITOL BUILDING FUND.** The amount of \$25,000, or so much of the
28 sum as may be necessary, included in the estimated income line item in section 3 of this Act, is
29 to be spent by the administration division from the capitol building fund for capitol grounds
30 planning, during the biennium beginning July 1, 2005, and ending June 30, 2007.

1 **SECTION 5. EXEMPTION.** The amount appropriated for the fiscal management
2 division, as contained in section 1 of chapter 36 of the 2003 Session Laws is not subject to the
3 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available
4 for continued development and operating costs of the accounting, management, and payroll
5 systems, during the biennium beginning July 1, 2005, and ending June 30, 2007.

6 **SECTION 6. INTENT.** Within the authority included in section 3 of this Act are the
7 following grants and special items:

8 Boys and girls clubwork	\$53,000
9 State contingencies	500,000
10 State memberships and related expenses	477,860
11 Firefighter's association	126,000
12 Unemployment insurance	1,500,000
13 Capitol grounds planning commission	25,000
14 State consultant	120,000

15 **SECTION 7. TRANSFER.** During the biennium beginning July 1, 2005, and ending
16 June 30, 2007, the director of the office of management and budget is authorized to transfer
17 special funds from the lands and minerals trust fund to the general fund in the amount of
18 \$5,000,000.

19 **SECTION 8. FIRE AND TORNADO FUND.** The amount of \$126,000, or so much of
20 the amount as is necessary, included in the estimated income line item in section 3 of this Act,
21 is from the fire and tornado fund.

22 **SECTION 9. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL**
23 **FUND.** During the biennium ending June 30, 2007, the industrial commission shall transfer to
24 the state general fund up to \$60,000,000 from the current earnings and the accumulated
25 undivided profits of the Bank of North Dakota. The moneys shall be transferred in the amounts
26 and at such times as requested by the director of the office of management and budget. Any
27 transfer authorized may only be made to the extent the transfer does not reduce the Bank's
28 capital structure below \$150,000,000.

29 **SECTION 10. AMENDMENT.** Subsection 6 of section 37-17.1-06 of the North Dakota
30 Century Code is amended and reenacted as follows:

31 6. The division of emergency management shall:

- 1 a. Coordinate the procurement and prepositioning of supplies, materials, and
2 equipment for disaster or emergency operations.
- 3 b. Provide guidance and standards for local disaster or emergency operational
4 plans.
- 5 c. Periodically review local disaster or emergency operational plans.
- 6 d. Coordinate state or state and federal assistance to local emergency
7 management organizations.
- 8 e. Establish and operate or assist local emergency management organizations
9 to establish and operate training programs and programs for emergency
10 public information.
- 11 f. Make surveys of industries, resources, and facilities, within the state, both
12 public and private, as are necessary to carry out the purposes of this chapter.
13 The use of sensitive and proprietary logistical data submitted to the state in
14 confidence by individual industries and suppliers must be accorded full
15 confidentiality and will be released only in aggregate form.
- 16 g. Plan and make arrangements for the availability and use of any private
17 facilities, services, and property, and, if necessary and if in fact used,
18 coordinate payment for that use under terms and conditions agreed upon.
- 19 h. Establish access to a register of persons with types of training and skills
20 important in mitigation, preparedness, response, and recovery.
- 21 i. Establish access to a register of equipment and facilities available for use in a
22 disaster or emergency.
- 23 j. Prepare, for issuance by the governor, executive orders, proclamations, and
24 guidance as necessary or appropriate in managing a disaster or emergency.
- 25 k. Coordinate with the federal government and any public or private agency or
26 entity in achieving any purpose of this chapter and in implementing programs
27 for disaster mitigation, preparation, response, and recovery.
- 28 l. Be the state search and rescue coordinating agency, establish access to a
29 register of search and rescue equipment and personnel in the state, and plan
30 for its effective utilization in carrying out the search for and rescue of persons
31 when no violation of criminal laws exists.

- 1 m. Operate a state radio broadcasting system as set out in chapter 54-23.2.
2 n. Do other things necessary, incidental, or appropriate for the implementation of
3 this chapter.

4 **SECTION 11. AMENDMENT.** Section 54-03-20 of the North Dakota Century Code, as
5 amended by section 1 of Senate Bill No. 2059 as approved by the fifty-ninth legislative
6 assembly, is amended and reenacted as follows:

7 **54-03-20. Compensation and expense reimbursement of members of the**
8 **legislative assembly.**

- 9 1. Each member of the legislative assembly is entitled to receive as compensation for
10 services the sum of one hundred twenty-five dollars for each calendar day during
11 any organizational, special, or regular legislative session and for each day that
12 member attends a meeting of a legislative committee between the organizational
13 session and the regular session as authorized by legislative rule.
- 14 2. a. Each member of the legislative assembly is entitled to receive reimbursement
15 for lodging, which may not exceed a maximum of nine hundred dollars per
16 calendar month for lodging in state, at the rates and in the manner provided in
17 section 44-08-04 for each calendar day during the period of any
18 organizational, special, or regular session.
- 19 b. Notwithstanding subdivision a:
- 20 (1) A member of the legislative assembly may elect to be reimbursed for
21 less than the amount to which the legislator is entitled under this
22 subsection by claiming the lesser amount on a voucher submitted with
23 the receipt required by section 44-08-04.
- 24 (2) The legislative council may establish guidelines that may result in a
25 reduced maximum reimbursement for a single dwelling in which two or
26 more legislators share lodging and the total rent for that dwelling
27 exceeds the amount to which a legislator is entitled under
28 subdivision a.
- 29 3. a. Members of the legislative assembly who receive reimbursement for lodging
30 are also entitled to reimbursement for travel for not to exceed one round trip
31 taken during any calendar week, or portion of a week, the legislative

1 assembly is in session, between their residences and the place of meeting of
2 the legislative assembly, at the rate provided for state employees with the
3 additional limitation that reimbursement for travel by common carrier may be
4 only at the cost of coach fare and may not exceed one and one-half times the
5 amount the member would be entitled to receive as mileage reimbursement
6 for travel by motor vehicle.

7 b. A member of the legislative assembly who does not receive reimbursement
8 for lodging and whose place of residence in the legislative district that the
9 member represents is not within the city of Bismarck is entitled to
10 reimbursement at the rate provided for state employees for necessary travel
11 for not to exceed one round trip taken per day between the residence and the
12 place of meeting of the legislative assembly when it is in session and may
13 receive reimbursement for lodging at the place of meeting of the legislative
14 assembly as provided in section 44-08-04 for each calendar day for which
15 round trip travel reimbursement is not claimed, provided that the total
16 reimbursement may not exceed nine hundred dollars per month.

17 4. The amount to which each legislator is entitled must be paid following the
18 organizational session in December and following each month during a regular or
19 special session.

20 5. If during a special session, the legislative assembly adjourns for more than three
21 days, a member of the legislative assembly is entitled to receive compensation
22 during those days only while in attendance at a standing committee if the legislator
23 is a member of that committee, a majority or minority leader, or a legislator who is
24 not on that committee but who has the approval of a majority or minority leader to
25 attend.

26 6. A day, or portion of a day, spent in traveling to or returning from an organizational,
27 special, or regular session or a legislative committee meeting must be included as
28 a calendar day during a legislative session or as a day of a legislative committee
29 meeting for the purposes of this section.

30 7. a. In addition, each member is entitled to receive during the term for which the
31 member was elected, as compensation for the execution of public duties

1 during the biennium, the sum of two hundred fifty dollars a month, which is
2 payable every six months or monthly, at the member's option.

3 **b.** If a member dies or resigns from office during the member's term, the
4 member may be paid only the allowances provided for in this section for the
5 period for which the member was actually a member.

6 **c.** The majority and minority leaders of the house and senate and the chairman
7 of the legislative council, if the chairman is not a majority or minority leader,
8 are each entitled to receive as compensation, in addition to any other
9 compensation or expense reimbursement provided by law, the sum of two
10 hundred fifty dollars per month during the biennium for their execution of
11 public duties.

12 **8.** Attendance at any organizational, special, or regular session of the legislative
13 assembly by any member is a conclusive presumption of entitlement as set out in
14 this section and compensation and expense allowances must be excluded from
15 gross income for income tax purposes to the extent permitted for federal income
16 tax purposes under section 127 of the Economic Recovery Tax Act of 1981
17 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].

18 **SECTION 12. AMENDMENT.** Section 54-23.2-01 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **54-23.2-01. Definitions.** ~~Wherever~~ As used in this chapter, the word "director" is
21 ~~hereinafter used, it shall mean~~ means the director of the ~~office of management and budget~~
22 ~~division of emergency management.~~ The word "system" ~~hereinafter used shall mean~~ means
23 the state radio broadcasting system.

24 **SECTION 13. AMENDMENT.** Section 54-44.1-06 of the North Dakota Century Code,
25 as effective after June 30, 2005, is amended and reenacted as follows:

26 **54-44.1-06. (Effective after June 30, 2005) Preparation of the budget data -**

27 **Contents.** The director of the budget, through the office of the budget, shall prepare budget
28 data which must contain and include the following:

29 1. Summary statements of the financial condition of the state, accompanied by the
30 detailed schedules of assets and liabilities as the director of the budget determines
31 desirable, which must include the following:

- 1 a. Summary statements of fund balances and assets showing in detail for each
2 fund the surplus or deficit at the beginning of each of the two fiscal years of
3 the previous biennium and the first fiscal year of the present biennium, the
4 actual revenue for those years, the total appropriations for the previous and
5 present biennium, and the total expenditures for those fiscal years; and
6 b. Similar summary statements of the estimated fund balances and assets for
7 the current fiscal year and each of the fiscal years of the next biennium.
8 Summary statements may include a comparative consolidated balance sheet
9 showing all the assets and liabilities of the state and the surplus or deficit, as the
10 case may be, at the close of the first fiscal year of the current biennium.
- 11 2. Statements of actual revenue for the previous biennium, the first year of the
12 present biennium, and the estimated revenue of the current fiscal year and of the
13 next biennium, and a statement of unappropriated surplus expected to have
14 accrued in the state treasury at the beginning of the next fiscal year. The
15 statement of unappropriated surplus for the general fund must reflect any projected
16 deficiency appropriations relating to expenditures from the general fund for the
17 present biennium. The statements of revenue and estimated revenue must be
18 classified by sources and by budget unit collecting them. Existing sources of
19 revenue must be analyzed as to their equity, productivity, and need for revision,
20 and any proposed new sources of revenue must be explained.
- 21 3. Summary statements of expenditures of the previous biennium and first year of the
22 present biennium, itemized by budget units and classified as prescribed by the
23 director of the budget.
- 24 4. Detailed comparative statements of expenditures and requests for appropriations
25 by funds, budget units and classification of expenditures, showing the expenditures
26 for the previous biennium, the first fiscal year of the present biennium, the budget
27 of the current biennium, and the governor's recommendation for appropriations for
28 each budget unit for the next biennium, all distributed according to the prescribed
29 classification of expenditures. Following the lists of actual and proposed
30 expenditures of each budget unit there must be a brief explanation of the functions
31 of the unit and comments on its policies and plans and on any considerable

1 differences among the amounts recommended, with any descriptive, quantitative,
2 comparative, and other data as to work done, unit costs, and like information as
3 may be considered necessary or desirable. For capital outlay expenditures
4 involving construction projects to be completed in two or more fiscal years, there
5 must be shown the total estimated cost of each such project and the amount
6 thereof recommended to be appropriated and expended in each ensuing fiscal
7 year until completion of the project. Capital outlay needs may be projected for at
8 least two years beyond the period covered by the budget.

9 5. A detailed statement showing the estimate of all moneys required to be raised or
10 appropriated for the payment of interest upon the funded debt of the state and its
11 other obligations bearing interest, and the amount of money required to be
12 contributed in the two next ensuing fiscal years to the general sinking funds
13 maintained for the redemption and payment of the debts of the state.

14 6. A summary statement of the unappropriated fund balance estimated to be
15 available at the beginning of the next biennium, and the estimated revenue of the
16 next biennium, as compared with the total recommended amounts of appropriation
17 for all classes of expenditures for the next biennium, and if the total of the
18 recommended expenditures exceeds the total of the estimated resources,
19 recommendations as to how the deficiency is to be met and estimates of any
20 proposed additional revenue.

21 7. Drafts of a proposed ~~general appropriations act and special appropriations acts for~~
22 executive branch departments, agencies, and institutions, including institutions of
23 higher education, providing the same funding as approved by the most recently
24 adjourned special or regular session of the legislative assembly and amendments
25 to the drafts of appropriations acts embodying the budget data and
26 recommendations of the governor for appropriations for the next biennium and
27 drafts of such revenues and other acts recommended by the governor for putting
28 into effect the proposed financial plan. ~~The recommended general appropriation~~
29 ~~for each budget unit must be specified in a separate section of the general~~
30 ~~appropriations act.~~

- 1 8. A list of every individual asset or service, excluding real estate, with a value of at
2 least fifty thousand dollars and every group of assets and services comprising a
3 single system with a combined value of at least fifty thousand dollars acquired
4 through a capital or operating lease arrangement or debt financing arrangement by
5 a state agency or institution. The list must include assets or services acquired in
6 the current biennium and anticipated assets or services to be acquired in the next
7 biennium.
- 8 9. A financial plan for a prospective period of six years, including the executive
9 budget recommendation for the next biennium, estimates of anticipated general
10 fund and non-general fund revenues prepared for an additional period of four
11 years, and estimates of the general fund and non-general fund appropriations
12 required for each major program for an additional period of four years. In
13 preparing the financial plan, the office of management and budget may utilize
14 estimates prepared by state agencies or such other information as may be
15 deemed necessary.
- 16 10. Any other information as the director of the budget determines desirable or as is
17 required by law.

18 **SECTION 14. AMENDMENT.** Section 54-44.1-06.1 of the North Dakota Century Code
19 is amended and reenacted as follows:

20 **54-44.1-06.1. Contents of capital construction bill.** The office of management and
21 budget shall continue to prepare capital construction budgets and a capital construction bill. ~~All~~
22 ~~future~~ The capital construction bills bill may only include projects involving bonding. All other
23 capital projects funded with general fund moneys or special funds must be included in draft
24 amendments to the appropriate agency's appropriation bill.

25 **SECTION 15. AMENDMENT.** Section 57-40.6-12 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **57-40.6-12. Reports of coordination of public safety answering points coverage.**
28 The governing body of a city or county, which adopted a fee on telephone exchange access
29 service and wireless service under this chapter, shall make an annual report of the income,
30 expenditures, and status of its emergency services communication system. The annual report
31 must be submitted to the state radio division and to the public safety answering points

1 coordinating committee. The committee is composed of three members, one appointed by the
2 North Dakota 911 association, one appointed by the North Dakota association of counties, and
3 one appointed by the ~~office of management and budget~~ adjutant general to represent the state
4 radio division. The public safety answering points coordinating committee shall file its report
5 with the legislative council by November first of each even-numbered year.

6 **SECTION 16. REPEAL.** Section 9 of Senate Bill No. 2015, as approved by the
7 fifty-ninth legislative assembly, is repealed.

8 **SECTION 17. REPEAL.** Section 12 of Senate Bill No. 2015, as approved by the
9 fifty-ninth legislative assembly, is repealed.

10 **SECTION 18. LEGISLATIVE COUNCIL STUDY - DEPARTMENT OF CORRECTIONS**
11 **AND REHABILITATION EMPLOYEE SALARIES.** The legislative council shall consider
12 studying, during the 2005-06 interim, employee salaries of the department of corrections and
13 rehabilitation. The study must include:

- 14 1. Input from the office of management and budget human resource management
15 services division regarding a salary comparison of the department's employees to
16 market, the impact on the salary comparison of the salary increases and equity
17 adjustments authorized for the 2005-07 biennium, and a review of the same
18 information from 1995 through 2005, including a comparison of the salaries for the
19 department of corrections and rehabilitation employees to market and any salary
20 increases and equity adjustments provided during that time.
- 21 2. Input from the department of corrections and rehabilitation regarding employee
22 salary increases provided by job classification from 1995 through 2005, employee
23 turnover by job classification, salary equity funding requested and provided, and
24 other relevant information.
- 25 3. A review by the legislative council of reasons relating to the divergence of salaries
26 for the department of corrections and rehabilitation employees from market,
27 including the related impact of demands on the department's budget due to growth
28 in inmate populations, increase in contract housing of inmates, budget reductions,
29 and agency turnback.

30 The legislative council shall report its findings and recommendations, together with any
31 legislation required to implement the recommendations, to the sixtieth legislative assembly.

1 **SECTION 19. LEGISLATIVE INTENT - EQUITY ADJUSTMENTS FOR STATE**

2 **EMPLOYEES.** It is the intent of the fifty-ninth legislative assembly that in addition to state
3 employee compensation adjustments provided by the legislative assembly, state agencies may
4 provide salary equity adjustments to state employees during the second year of the biennium
5 averaging one percent only to the extent the increase can be paid within the limits of the
6 agency's appropriation. The market equity increases are to be prioritized based on equity for
7 employees whose salaries are furthest from their respective salary range midpoints effective
8 July 1, 2005. Market equity increases may not be given to employees whose salary exceeds
9 the midpoints of their assigned salary range effective July 1, 2005. The agency shall report the
10 equity adjustments provided to the office of management and budget.

11 **SECTION 20. APPROPRIATION.** There is appropriated out of any moneys in the
12 general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much
13 of the sum as may be necessary, to the legislative assembly for designing and remodeling the
14 cloak room and bill room and as part of the remodeling project to make a new committee
15 hearing room, for the biennium beginning July 1, 2005, and ending June 30, 2007.